



**浙江滬杭甬高速公路股份有限公司**  
**ZHEJIANG EXPRESSWAY CO., LTD.**

[FOR IMMEDIATE RELEASE]

**Zhejiang Expressway Announces 2019 Interim Results**  
*Deepening brand development of core business and  
actively developing unique services in securities business*

**Financial Highlights**

- Revenue amounted to Rmb5,722.10 million, representing an increase of 6.2% year-on-year
- Profit attributable to owners of the Company amounted to Rmb1,977.61 million, representing an increase of 7.8% year-on-year
- Basic earnings per share was Rmb45.53 cents, and diluted earnings per share was Rmb44.47 cents

(Hong Kong, August 23, 2019) – Zhejiang Expressway Co., Ltd. (“Zhejiang Expressway” or the “Company”) (HKEx code: 576; LSE code: ZHEH) today announced the unaudited consolidated operating results of the Company and its subsidiaries (collectively the “Group”) for the six months ended June 30, 2019 (the “Period”).

During the Period, revenue for the Group was Rmb5,722.10 million, representing an increase of 6.2% year-on-year. Profit attributable to owners of the Company was Rmb1,977.61 million, representing an increase of 7.8% year-on-year. Basic earnings per share for the Period was Rmb45.53 cents (Corresponding period of 2018 (Restated): Rmb42.25 cents), and diluted earnings per share for the Period was Rmb44.47 cents (Corresponding period of 2018 (Restated): Rmb37.97 cents).

**Ms. Luo Jianhu, General Manager of the Company**, said, “During the first half of 2019, driven by the growth in services, consumption, imports and exports and digital economy, Zhejiang Province’s GDP increased by 7.1% year-on-year, and the province’s overall economy achieved medium-to-high growth momentum. During the Period, we strived to achieve two key targets namely, to build a renowned brand for expressway operations and services, and to become a top-tier securities company in China. The traffic volume on the Group’s expressways maintained solid organic growth. In terms of securities business, the Group’s securities brokerage and proprietary trading businesses experienced favorable growth. Going forward, we will continue to create more value for our shareholders.”



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### **Business Review**

During the Period, global economy and trade slowed as a result of a number of uncertainties in the international markets. Meanwhile, the Chinese economy is still facing prominent structural problems and downward pressure. The traffic volume on the Group's expressways continued to grow, but at a slower pace. Revenue from Zheshang Securities increased as supported by the pick-up in the Chinese capital markets. The Group's total revenue increased 6.2% year-on-year to Rmb5,722.10 million, of which Rmb3,882.34 million was generated by the seven major expressways operated by the Group, representing an increase of 2.4% year-on-year and 67.8% of total revenue. The revenue generated by the securities business was Rmb1,641.22 million, representing an increase of 8.4% year-on-year and 28.7% of the total revenue.

During the Period, the traffic volume on the Group's expressways maintained solid growth due to the following positive factors. The traffic volume on a number of the Group's expressways benefited from an adjustment of toll collection rules made by the Yuhang District Government and the Lin'an District Government of Hangzhou City, as well as the Yiwu Municipal Government. In addition, the "Regulations on Overloaded Trucks on Expressways" in Zhejiang Province were implemented on January 1, 2019. The new policy served to boost truck traffic on the Group's expressways.

During the Period, the following factors had a negative impact on the traffic volume and toll income on the Group's expressways. All qualified trucks that are in compliance with regulations and use Zhejiang Province's non-cash payment cards or ETC cards enjoy a 15% discount on tolls on a trial basis when travelling on the state-owned expressways of Zhejiang Province. Furthermore, the change of traffic conditions and networks, such as road construction, traffic control and opening of high-speed railway, had a certain impact on the traffic volume on the Group's expressways.

For the securities business, as the domestic stock market started to pick up, trading volume on the Shanghai and Shenzhen stock markets increased by a total of 29.4% year-on-year, which helped to drive growth at Zheshang Securities. During the Period, Zheshang Securities recorded total revenue of Rmb1,641.22 million, an increase of 8.4% year-on-year, of which, commission income increased 5.5% year-on-year to Rmb853.77 million, and interest income from the securities business was Rmb787.45 million, an increase of 11.8% year-on-year. In addition, during the Period, securities investment gains of Zheshang Securities included in the condensed consolidated statement of profit or loss and other comprehensive income of the Group was Rmb609.28 million, an increase of 328.9% year-on-year.



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### **Outlook**

In the first half of 2019, amid the slowdown in the global economy and intensified trade frictions, China's economy continued to make steady progress as it continued its transition to high-quality development. Looking ahead to the second half of 2019, it is expected that the economy will continue to face downward pressure as the economic landscape at home and abroad remains complicated. The overall toll income on the Group's expressways is expected to continue to grow, but at a slower rate.

**Ms. Luo** concluded, "In the second half of 2019, we will focus on improving the Company's service quality and business operations, and consolidating its core business while exploring new opportunities. In particular, we will continue to strengthen its main toll road business and make sure that all of its expressway toll stations on provincial borders are removed as scheduled to provide a better experience for passengers and drivers, and make a greater contribution to the country's social and economic development. For the securities business, we will continue to grow and optimize its business and fully improve its core competitiveness. We will also seek suitable investment opportunities through diversified channels to further expand its asset base and profitability."

~ End ~

### **About Zhejiang Expressway Co., Ltd.**

Established in 1997, Zhejiang Expressway Co., Ltd. (HKEx code: 576; LSE code: ZHEH) is an infrastructure company principally engaged in investing in, developing and operating high-grade roads. The expressway operating rights of the Company and its subsidiaries were granted by Zhejiang Provincial Government and Anhui Provincial Government for a period ranging from 25 to 30 years. In 2019, the Company has completed the acquisition of the Huzhou and Lianhang sections of Shenjiahuhang Expressway and the Zhoushan Bridge, as well as the Zhejiang Grand Hotel. The Company also carries out securities business. Its subsidiary Zheshang Securities Co., Ltd. is listed on the Shanghai Stock Exchange since June 2017 (SSE code: 601878).



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